



# Sustainability Report 2022



# Table of Contents



# A Message from our CEO

At The North West Company (North West), we have always understood that the success of our business relies on the strength and vitality of the communities we serve. This connection brings with it a responsibility to support and have a positive impact on those communities and their environment. We built upon this starting point to create the four pillars of our 2022 sustainability goals: stronger communities, better quality of life, empowered employees and respect for the environment.

## Stronger Communities

In 2022, we continuously supported efforts in food security, working with large and small organizations to deliver programs and make substantial donations, to help build strong, resilient communities.

## Better Quality of Life for Our Customers

Together, we have promoted and invested in affordable and accessible healthy food options for customers, ensuring stable food supply chains and providing reliable pharmacy and health services.

## Empowered Employees

We have helped team members connect to their talents and worked towards developing an environment where everyone feels heard, respected and included. We continued to invest in our people by providing employees opportunities to grow professionally, take care of themselves, their families and each other, and to make a difference in our communities.

## Respect for the Environment

We are improving our environmental footprint with sustainable practices across our business from designing energy-efficient buildings to promoting the reduction of waste in local communities and supporting the integration of energy efficient technologies in our stores. Considering global challenges such as climate change, we continuously work to find innovative and practical actions to reduce negative environmental impacts in our operations and within the communities we are proud to serve.

In 2022, we also shared Our Promise to Indigenous Peoples, a reaffirmed commitment to building more collaborative relationships with the many Indigenous communities we serve in Canada. This Promise is woven into our sustainability strategy and Environmental, Social and Governance (ESG) framework. It will guide meaningful opportunities for impact, establish priorities for years to come and will serve as a model for our global operations.

As I look back on 2022, I want to acknowledge the significant efforts our colleagues and associates have made towards creating a positive impact and driving North West towards a more sustainable and resilient future. As we move forward and continue to make sustainability progress in northern Canada, rural Alaska, the South Pacific and the Caribbean, we remain focused on the purpose that drives us — to help make a positive difference within each community we serve.

A handwritten signature in black ink, appearing to read 'D. McConnell'.

**Daniel G. McConnell**  
President and Chief Executive Officer



# About Us

The North West Company is a leading retailer to rural and developing small population communities in northern Canada, rural Alaska, the South Pacific and the Caribbean. Our stores offer a broad range of products and services with an emphasis on food and a compelling value offer of being the best local shopping choice for everyday household and lifestyle needs.

North West has a rich enterprising legacy as one of the longest continuing retail enterprises in the world. The Company traces its roots back to 1668 and many of our stores in northern Canada

have been in operation for over 200 years. Our stores in Alaska and northern Canada serve communities with populations ranging from 300 to 9,000. A typical store is 6,500 square feet in size and offers food, family apparel, housewares, appliances, outdoor products and services such as fuel, post offices, pharmacies, income tax return preparation, quick-service prepared food and prepaid card products, ATMs, cheque cashing and proprietary credit programs.

**Our Purpose:** To help make a positive difference within each community we serve.

**Our Vision:** To bring to communities products and services that help people live better.

**Our Mission:** To be a trusted community store.





# About this Report

Our 2022 Sustainability Report provides a transparent account of our corporate responsibility strategies and sustainability goals. It has been written for a broad range of stakeholders, including our associates, customers, suppliers, investors and non-profits. The report has three key goals:

- 1** To track progress on issues related to our four Sustainability Pillars;
- 2** To provide further insight into the unique conditions faced by the small, remote and emerging economies we serve, and to show how these conditions affect our approach to sustainability;
- 3** To reveal the management structures, policies, and practices that shape our current approach to sustainability and will inform our sustainability and reporting efforts in the years to come.

Structured into sections for each of our four Sustainability Pillars, this Report defines commitments and goals for each of these performance areas, along with actions taken by our company in the 2022 fiscal year. All monetary figures in this report are presented in Canadian dollars, unless otherwise stated.



Janice Schultz - Churchill, MB

# Our Approach to Sustainability

At The North West Company, **sustainability** refers to the process of increasing business value, by implementing strategic and operational actions that consider environmental, social and economic factors. It is about reducing our negative impact and implementing actions that create positive outcomes on the environment and the local communities we are proud to serve. Our sustainability actions aim to secure a balance between our business activity, the environment and the communities where we operate, contributing to human well-being, economic development and environmental protection. Throughout our sustainability pillars, we commit to reaching our purpose: *“To help make a positive difference within each community we serve.”*



At North West, we recognize that our sustainability journey is a continuous improvement process that requires collective action and commitment from key stakeholders. Our ambition to become more sustainable will support the increase of business value for the organization by integrating strategic and operational actions that will improve our overall sustainability performance.



St. Theresa Point, MB



## Governance

The Governance and Nominating Committee (“Governance Committee”) of The North West Company Board of Directors (the “Board”) is accountable for overseeing our sustainability initiatives and receiving regular updates from management on our sustainability work.

The Board oversees the company’s risk management planning, including its design and structure, as well as the assessment of its effectiveness. Management reports to the Board on risk management planning activities, sustainability risks and material topics. The Board also oversees and monitors the company’s approach, policies and practices related to Environmental, Social and Governance (ESG) matters. In 2022, North West established an ESG Task Force comprised of senior leaders and team experts, with the responsibility for setting priorities, monitoring progress, developing policies and ensuring the accuracy of sustainability reporting.

In addition, our Code of Business Conduct and Ethics provides guidance to all teammates and reaffirms our commitment to personal and corporate standards of business conduct.



Ian McCausland – Wasagamack, MB



# Engaging our Stakeholders

We recognize the importance of listening to and engaging our stakeholders as we advance towards a more sustainable future. Our stakeholders are groups and individuals who are impacted by our operations and corporate strategy. As we work hard to improve our activities with all stakeholders, we continue developing our relationships and strengthen collaboration opportunities. Below are the main stakeholder groups and our current points of interest with them:

STAKEHOLDERS	POINTS OF INTEREST
<b>Customers and communities</b>	<ul style="list-style-type: none"> <li>• Face-to-face interactions in our stores</li> <li>• Pharmacy and tele-pharmacy interactions</li> <li>• Customer service departments across various business divisions</li> <li>• Advocacy initiatives in communities</li> <li>• Community dialogues and community report events</li> <li>• Consultation meetings with Indigenous leaders</li> <li>• Indigenous children and youth programs through our Healthy Horizons Foundation (HHF)</li> <li>• Participation in conferences and community events</li> <li>• Virtual channels (newsletters and communications on social media)</li> </ul>
<b>Team members</b>	<ul style="list-style-type: none"> <li>• Individual meetings</li> <li>• Weekly information meetings</li> <li>• Quarterly Business Conference</li> <li>• Annual General Meeting</li> <li>• Training and capacity building</li> <li>• Performance assessments</li> <li>• Focus groups and pulse surveys</li> <li>• Employee Assistance Program (EAP) for counseling and mental health services</li> <li>• Employee communication channels (e.g., “Ask us” and “listen line”)</li> <li>• Programs from the Health &amp; Safety Team</li> <li>• Event initiatives from Human Resources</li> <li>• The North West Company SharePoint page</li> <li>• Staff club events</li> </ul>



# Engaging our Stakeholders

STAKEHOLDERS	POINTS OF INTEREST
<b>Vendors and suppliers</b>	<ul style="list-style-type: none"> <li>• Direct engagement and meetings</li> <li>• Training workshops and capacity building</li> <li>• Attendance to vendor showroom and facilities</li> <li>• Attendance at industry tradeshows</li> <li>• Vendor portal</li> </ul>
<b>Shareholders and investor groups</b>	<ul style="list-style-type: none"> <li>• Annual general meeting of shareholders</li> <li>• Quarterly earnings conference calls with analysts</li> <li>• Participation in investor conferences</li> <li>• Individual investor meetings</li> </ul>
<b>Charities &amp; Non-governmental organizations (NGOs)</b>	<ul style="list-style-type: none"> <li>• Discussions and meetings</li> <li>• Programs and initiatives</li> </ul>
<b>Government officials</b>	<ul style="list-style-type: none"> <li>• Participation in industry initiatives</li> <li>• Letters and written or verbal testimony</li> <li>• Participation in conferences and forums</li> </ul>





# Our Promise to Indigenous Peoples

## Overview

Our sustainability efforts extend to our response to the Truth and Reconciliation Commission of Canada (TRC) and its Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). As a community partner to over 175,000 northern Indigenous Peoples in Canada, North West commits to advocating for truth and understanding about our collective past and acting upon it. North West acknowledges and respects Indigenous communities as key stewards of sustainability since time immemorial. Their knowledge, culture and traditions must be respected and protected to move towards a healthier and more sustainable planet.

Our Promise to Indigenous Peoples is a reaffirmed commitment to building more collaborative relationships that will enhance the inclusion and social well-being of Indigenous People of Canada. We fully commit to the spirit of Reconciliation reflected in the Truth and Reconciliation Commission's Calls to Action and final report.

## North West's Commitments

1. Our commitments and actions are guided by Call to Action #92 and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), as well as the respectful consultations with the diverse Indigenous peoples we serve.
2. Each commitment demands meaningful opportunities for impact and shifting attitudes and behaviors to get results.
3. Each commitment falls under three strategic pillars: Well-being & Security, Stronger Community Bonds, Inclusion & Economic Success.





## Well-being & Security

**North West commits to working collaboratively with Indigenous Peoples to advance health and well-being in the communities we serve.**

- Increase grant funding to Indigenous children and youth programming through the Healthy Horizons Foundation (HHF), a charity founded by North West that supports healthy-living programs and initiatives in northern and remote communities.
- Work with Indigenous communities to address barriers they may experience within the HHF grant application process.
- Implement new avenues of advocacy such as healthy northern families, food security & income, quality of life, thriving Indigenous economies, Indigenous language preservation, better education outcomes.
- Increase awareness of HHF with internal employees and commit to increased fundraising annually.

## Stronger Community Bonds

**North West commits to developing stronger community bonds by recognizing the past and committing to a better future.**

- Revamp annual community meetings with greater executive involvement and consistency.
- Establish regular communications with Indigenous representatives outside North West

that will provide guidance and feedback as we develop policies and practices that respond to the Truth and Reconciliation Commission's Calls to Action and final report.

- Expand Indigenous history, cultural safety and awareness training to North West staff.
- Establish metrics for the Promise commitments and provide annual updates on progress as part of community meetings with Indigenous leaders.

## Inclusion & Economic Success

**North West commits to improving Indigenous inclusion in store and head office management while encouraging Indigenous economic development.**

- Procurement – establish a process and key metrics that allow North West to expand its engagement with Indigenous businesses to increase penetration of local products and services while enhancing its existing Indigenous Procurement policy.
- Increase Indigenous representation in store management.
- Increase Indigenous representation in support office.
- Launch Internal Indigenous Advisory Committee that will provide guidance and feedback to North West as we develop policies and practices that respond to the Truth and Reconciliation Commission Calls to Action and final report.





# Sustainability Pillars

To build **Stronger Communities**, we have continuously supported efforts in food security, working with large and small organizations to deliver programs, making donations and working with communities to develop transformative business and partnership opportunities. To deliver a **Better Quality of Life for Our Customers**, we have promoted and invested in affordable and accessible healthy food options for customers in our stores and advocated for social programs that impact the quality of life in the communities where we operate. To support **Empowered Employees**, we have invested in and cultivated a diverse, inclusive and culturally safe workforce, giving employees opportunities to grow professionally and offering programs to accommodate the needs of employees with diverse cultural backgrounds and lifestyles. We continue to take measured steps to demonstrate our **Respect for the Environment** by minimizing our environmental footprint through the adoption of energy efficient initiatives and technologies in our stores, implementing waste reduction initiatives with our clients and providing environmental training for associates in our operating communities.

Our sustainability pillars highlight North West's commitment to address social, environmental and governance topics that are relevant for the transition towards a more sustainable, equitable and healthy future. Through our actions, we look forward to addressing and linking our impact to the United Nation Sustainable Development Goals (SDGs).



PILLAR 1:

# Stronger Communities





# Pillar 1: Stronger Communities

## Overview

At North West, community has always been at the core of who we support. We contribute to local economies by providing economic opportunity through a wide range of employment opportunities and contracts for goods and services. We listen to our community members to better understand their needs and offer products and services that are relevant and accessible to our customers. Our work spans from small community impact to a broad global reach. With 222 stores across a broad geographic region and 7,311 associates, we have an extraordinary opportunity to support and strengthen our communities through our actions.

We strive to use our business and philanthropic resources to address systemic disparities in society, seeking to advance equity for all. As a community partner to over 175,000 northern Indigenous Peoples in Canada, North West commits to advocating for truth and understanding about our collective past.

We align the resources of our business to serve communities through a variety of ways that leverage our capacity, including:

- Continue to build deeper, more constructive relationships with the communities we serve, guided by Our Promise to Indigenous Peoples
- Transformative business and partnership opportunities
- Community engagement and support
- Our Healthy Horizons Foundation



## Commitments, Goals and Actions

**Commitment:** Provide significant social benefit by soliciting opinions from and seeking opportunities to collaborate with community leaders, groups and individuals.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG <sup>1</sup>
<p><b>1.1 Relieve food insecurity pressures in local communities</b></p>	<ul style="list-style-type: none"> <li>• Participated in regional Food Security Work Groups by advocating for a stronger charitable meal system, and by extending the reach of hunger relief and nutrition programs in northern Canada (e.g., Nutrition North Canada).</li> <li>• Alaska Commercial Company (ACC) collaborated with regional organizations to assemble and deliver <b>8,817</b> boxes of fresh produce, dairy and meat to <b>20</b> communities across rural Alaska.</li> <li>• Cost.U.Less (CUL) partnered with Kellogg's, Kraft-Heinz and General Mills to raise almost <b>\$60,000</b> for meals through various campaigns to support food banks in the Caribbean Islands.</li> </ul>	
<p><b>1.2 Build strong relationships with communities based on the recognition of rights, respect, cooperation and partnership</b></p>	<ul style="list-style-type: none"> <li>• Launched Our Promise to Indigenous Peoples, a reaffirmed commitment to building more collaborative relationships that will enhance the inclusion and social well-being of Indigenous People of Canada.</li> <li>• Ensured continuous communication with community leaders, sharing the current state of our stores' operations, including safety protocols, pricing, staffing, product supply and strategies for circumstances impacting the community.</li> </ul>	 

<sup>1</sup>The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. North West has implemented initiatives that contribute to achieving some SDGs.

## Commitments, Goals and Actions

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<b>1.3 Increase grant funding to Indigenous youth programming through our Healthy Horizons Foundation (HHF) charity</b>	<ul style="list-style-type: none"> <li>Through the HHF charity, North West dispersed almost <b>\$260,000</b> in 2022 to support several programs and initiatives that aim to empower youth in northern Indigenous communities. We do this to actively engage in Reconciliation in northern and rural communities, through partnerships, resource sharing and funding. Funding provided support:               <ul style="list-style-type: none"> <li>Health and well-being – supporting a holistic and spiritual approach to health (e.g., gym equipment, sports programs, healthy eating education, mental health supports of all kinds).</li> <li>Culture and education – supporting Traditional Knowledge sharing and community celebration (e.g., land-based education programs for language revitalization, cultural events, powwows, sweat lodge)</li> <li>Food security, sovereignty and nutrition – supporting infrastructure, education and lifetime access to food (e.g., growing, harvesting, preparing, enjoying nutritious and fresh food, ensuring lifelong access to food).</li> </ul> </li> </ul>	 
<b>1.4 Train employees to become aware of the history, culture and realities of local Indigenous communities</b>	<ul style="list-style-type: none"> <li>Achieved a total participation of almost <b>100</b> employees (Northern/NorthMart store managers, department managers, corporate and new hires) in an Indigenous Cultural Awareness program through our Training Centre.</li> <li>For 2022, the cultural awareness programs included physical and virtual sessions to support a proper engagement of store managers and other employees to learn more about the history and realities of local Indigenous communities.</li> </ul>	 

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<b>1.5 Ensure that Indigenous businesses have equitable access to business development opportunities at North West</b>	<ul style="list-style-type: none"> <li>Entered and continued <b>87</b> leasehold business partnerships with Indigenous communities; compounding economic benefit to remote economies.</li> <li>Implemented approximately <b>400</b> projects of varying sizes with community contractors and businesses, creating positive impact in the communities we serve. Our policy is to work with as many communities as we can, either directly or indirectly through subcontractors.</li> <li>Continued to develop our Indigenous Procurement Policy to ensure Indigenous businesses have equitable access to business development opportunities at North West.</li> <li>Partnered with Dreamcatcher promotions, a 100% Indigenous owned and operated apparel business to launch an Indigenous assortment across Northern/NorthMart stores, and for MMIWG2S+ and Orange Shirt Day initiatives.</li> </ul>	  
<b>1.6 Support important community events and causes, particularly those that align with North West's commitment to Indigenous Reconciliation</b>	<ul style="list-style-type: none"> <li>We proudly support a wide range of community events and causes – from traditional and cultural celebrations to sports teams – through almost <b>\$2.2 million</b> in donations and sponsorships and with volunteer time from North West employees.</li> <li>Continued to support the City of Winnipeg's Indigenous Accord, sharing commitment on the journey toward Reconciliation.</li> <li>North West provides a comprehensive report each year, highlighting how the company has been addressing actions about the Truth &amp; Reconciliation Commitments (TRC) and Missing and Murdered Indigenous Women and Girls (MMIWG).</li> </ul>	  



## Alaska Commercial Company helps bring fresh food to Calista communities

Alaska Commercial Company (ACC) is continuing its efforts to increase food security in the Yukon-Kuskokwim Delta region and to help Alaskans live better. ACC collaborated with the Bethel Community Services Foundation (BCSF) for a one-time food distribution as part of the Aruqutet Food Security project. The project was given its name, which means “to distribute gifts” in Yup’ik language, by Elder Mary Beaver.

“Alaska Commercial Company was an essential project business partner. Massive orders of food were made through ACC that landed in Bethel. We utilized ACC in essentially every community in the Yukon-Kuskokwim Delta where the company had a store at the time we implemented the project,” said Michelle De Witt, Executive Director of Bethel Community Services Foundation. “The ACC team worked as quickly as they could to move large amounts of food to us in Southwest Alaska at a time when there were huge supply chain issues. Many stores also took on additional labor and administrative tasks for the benefit of their communities, and we so appreciated all that effort.”

A total of 6,522 boxes of produce, staple items and meat were distributed to everyone 18 years and older in Bethel and its neighboring communities Mountain Village, Emmonak, Nunam Iqua, St. Mary’s, Pitkas Point, Hooper Bay, Pilot station and Kotlik between May and August 2022.

ACC worked in collaboration with Pacific Alaska Wholesale (PAW) to source the product, Span Elite built the boxes and ACC stores distributed them to the communities. Each box included approximately 15 lbs of produce items (potatoes, carrots, onions, apples, oranges), 17 lbs of staple items (rice, sugar, flour, pilot bread crackers) and 17 lbs of meat and soup items (ground beef, stew beef, whole chicken, boneless pork chops, pork baby back ribs). North Star Quality Meats, an ACC-owned meat plant in Anchorage, was an essential partner to fulfill the large orders of meat.

**“ACC’s staff worked hard to ensure community members have access to fresh and healthy food” said Kyle Hill, President of Alaska Commercial Company. “We are proud to partner with Bethel Community Services Foundation and assist with the food distribution on the Aruqutet project.”**



Pictured above: AC Bethel’s store team loading the food boxes to be taken to the distribution site in Tuntutuliak, AK, where the BCSF team and volunteers handed them out to community members.



ACC staff members and Aruqutet project volunteers loading the truck to transport the food boxes to the designated food distribution site in Bethel, AK.



ACC staff members hand out food boxes in Hooper Bay, AK.



## Fighting food insecurity among Inuksuk high school students

More than 400 students and their families benefited from an impactful food hamper campaign organized by a high school student in Iqaluit, NU. Elisapee Fortier, a student from Inuksuk High School in Iqaluit, made it her mission to end food scarcity among her fellow schoolmates. As part of her social studies project, Fortier decided to address food insecurity in her community and educate students on how to eat a balanced diet by organizing a campaign to provide food hampers with essential nutritional grocery to students in her school.

After presenting the idea to Iqaluit mayor Kenny Bell, Fortier received support from his office to find corporate sponsors. She shared her idea with the Iqaluit City Council and raised \$10,000 from various town businesses, quickly turning what started as a school project into an initiative of bigger magnitude, surprising even Fortier.

NorthMart store manager Terry Lichy found out about the campaign when he met Fortier through Mayor Bell. He was more than happy to extend NorthMart's support by donating \$25,000 worth of food for the hampers. The store delivered 20 pallets of groceries to the

school and provided boxes for the hampers to be packed. In June, a cheque presentation symbolized the donation.

"I didn't realize how big and how important this would be. I am really happy with all of the support from NorthMart and my teacher. I am also very glad that it is having such a positive impact on so many people," said Fortier.

Fortier also organized around 50 students and teachers from her high school to help sort and pack the food hampers, which were delivered on June 23.

The community shared their positive feedback through various posts on social media. The Mayor of Iqaluit also tweeted his appreciation for Fortier and NorthMart.

**"I am thankful and appreciative to work for a company that would support a great community initiative and worthy cause, and that we as a group could help a young person in the community with a project of this magnitude. Encouragement of a youth project like this is just as important as any donation we can make," said Lichy.**



Pictured above, from left: Kenny Bell, Mayor of Iqaluit and John Kelly, The North West Company Market Manager, presenting the cheque to Elisapee Fortier, along with Terry Lichy, NorthMart store manager. Packed hampers ready to be given away (left) and Mayor of Iqaluit Kenny Bell helping to hand out the hampers (right).



PILLAR 2:

# Better Quality of Life for Our Customers





# Pillar 2: Better Quality of Life for Our Customers

## Overview

Serving communities lies at the heart of North West’s purpose, with the goal of making a positive, progressive difference in each community. We aim to create value for our customers in many ways, including:

- Providing convenient access to healthy food products through our vast distribution network.

- Contributing to local economic development in markets where we operate to meet customer needs while supporting suppliers, jobs and inclusive economic growth.
- Contributing to community resilience by enhancing food security.
- Supporting local organizations and causes that matter to customers, associates and neighbours in our communities.





## Commitments, Goals and Actions

**Commitment:** Provide reliable access to everyday products and services that are as affordable as possible and that meet the lifestyle needs of our customers.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<p><b>2.1 Promote and invest in affordable and accessible healthy food options for customers in our stores</b></p>	<ul style="list-style-type: none"> <li>• Advocated for the continued expansion of the Nutrition North program, which saw expanded assortment and accessible prices for our customers.</li> <li>• Continued supporting Ontario’s Northern Fruit and Vegetable Program (NFVP), which educates students on healthy eating and living a healthy lifestyle. North West has invested and provided healthy food products such as fruits and vegetables, benefiting <b>30</b> schools across <b>19</b> communities and supporting over <b>6,000</b> students in 2022.</li> </ul>	
<p><b>2.2 Provided inclusive services to our customers</b></p>	<ul style="list-style-type: none"> <li>• Used e-commerce and curbside pickup at store locations to promote community safety and enhance the customer shopping experience.</li> <li>• Based on community and customer requests, key items were rationed in selected locations to ensure availability of staple goods for all customers.</li> </ul>	

## Commitments, Goals and Actions

**Commitment:** To advocate for policies and programs that enhance the quality of life for our customers.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<p><b>2.3 Advocate for improvements to the Nutrition North program and other social programs that impact our operating communities</b></p>	<ul style="list-style-type: none"> <li>Supported to provide access to quality health care in northern remote communities by offering telehealth services supporting telehealth services in <b>37</b> communities.</li> <li>Operating the first optical centre in Nunavut. The centre offers full eye exams, prescription glasses and sunglasses, contact lenses and eyeglass repair, as well as dry eye education and other eye health advice.</li> <li>With northern Indigenous community support and guidance, we advocated for higher Nutrition North Canada and seasonal transportation subsidies for a range of food items. This resulted in continued accessible and affordable healthy food for our customers in the North.</li> </ul>	 

### Boosting Children’s Healthy Lifestyles in Ontario Communities

The Northern Fruit & Vegetable Program (NFVP) is a program funded by the Ontario Ministry of Health and coordinated by the Ontario Fruit and Vegetable Growers Association (OFVGA). The program is designed to guide children towards healthy eating habits during their school day, ensuring they have at least one healthy snack per week for a 6-month period.

The North West Company has supported the program since its launch in 2014 and its expansion in 2018 through the Northern stores in Ontario. North West’s Category team has been working alongside OFVGA to create meal plans that offer children two servings of fruits and vegetables per week, with the long-term goal of improving their dietary habits and creating a demand for healthy food items.



A group of children from Moosonee Public School, ON, enjoying their healthy snack thanks to the Northern Fruit & Vegetable Program.



Northern Stores managers process the produce orders and provide a 20% discount on items that are given to schools and coordinate the food delivery each week from January to June. The NFVP is currently carried out in 20 communities through Northern stores, supporting more than 6,000 students at 30 schools.

“Every week, children are looking forward to their healthy snack because through this program they receive fresh and quality products that they cannot always get at home,” said Donna Huffman, Northern Produce Manager. “Thanks to this the children not only get the health benefits but truly develop the love of healthy eating.”

Northern Store supports schools through the program in the following communities: Moosonee, Moose Factory, Attawapiskat, Fort Albany, Kashechewan, Peawanuck, Bearskin Lake, Cat Lake, Weagamow Lake, Sachigo Lake, Keewaywin, Poplar Hill, Sandy Lake, Pikangikum, Deer Lake, Severn, Kasabonika, Lansdowne House, Webequie and Wunnumin Lake.



PILLAR 3:

# Empowered Employees

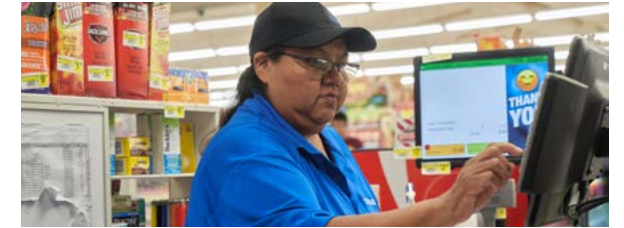




# Pillar 3: Empowered Employees

## Overview

Retail is a primary entry point into the workforce for many people. At North West, we aim to create value by providing meaningful employment and helping develop new workforce with opportunities, through quality jobs, training, education and career paths. Experienced workers who join us later in their careers are able to enhance their leadership skills and expand their impact through meaningful work.



## Commitments, Goals and Actions

**Commitment:** Cultivate a diverse, inclusive and culturally safe workforce.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<p><b>3.1 Raise company-wide awareness of and sensitivity to the unique history, culture and relations of Indigenous Peoples in locations where we operate</b></p>	<ul style="list-style-type: none"> <li>Reinforced corporate values with an Indigenous Cultural Awareness program delivered to new and existing associates and managers at all levels of the organization, including Board members.</li> <li>Delivered Cultural Awareness program training sessions to employees from our Canada and Alaska operations, including at Gibraltar House, our head office in Winnipeg, Canada.</li> <li>Board members achieved 100% completion of the Cultural Awareness Training.</li> </ul>	<p><b>10</b> REDUCED INEQUALITIES</p> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>
<p><b>3.2 Recruit, engage, retain and improve advancement opportunities for Indigenous workers</b></p>	<ul style="list-style-type: none"> <li>As one of the largest private employer of Indigenous Peoples in Canada (with almost <b>2,000</b> self-reported Indigenous employees), we are deeply committed to training, employing and retaining Indigenous staff, to hiring and training locally in northern and remote communities, and to filling senior positions with local Indigenous employees.</li> <li>North Star Air (NSA) supported <b>11</b> First Nation communities through the "Take Flight Aviation Program Grants" to develop skills and study the Aviation Program anywhere in Canada.</li> <li>An Indigenous Advisory Committee comprised of Indigenous employees representing different segments of the company are focused on our Truth and Reconciliation efforts.</li> </ul>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> <p><b>10</b> REDUCED INEQUALITIES</p>



## Commitments, Goals and Actions

**Commitment:** Enhance employee effectiveness, welfare and satisfaction by imparting our Company values of customer service, trust, enterprising ideas, passion for what we do, accountability and personal balance.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<b>3.3 Reinforce workplace health, safety and ethical practices through policies and practices</b>	<ul style="list-style-type: none"> <li>Developed programs designed to eliminate or reduce hazards at all our locations in accordance with provincial regulations, including a comprehensive occupational injury and illness prevention program for all team members.</li> <li>Sponsor training in First Aid, Fire Prevention, Emergency Planning, Violence Prevention, Safe Work Procedures and other key Health &amp; Safety (H&amp;S) areas for North West management trainees. All our store managers are trained and certified in H&amp;S procedures.</li> </ul>	 
<b>3.4 Offer programs to accommodate the needs of employees with diverse cultural backgrounds and lifestyles</b>	<ul style="list-style-type: none"> <li>Offered flexible work hours to accommodate cultural and lifestyle practices for employees.</li> <li>Provided a work-from-home option for office associates.</li> </ul>	
<b>3.5 Support associates with access to professional, confidential support services and programs</b>	<ul style="list-style-type: none"> <li>Promoted our Employee Assistance Program (EAP) that includes counseling and mental health services for employees and immediate family members.</li> </ul>	

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<b>3.6 Provide training programs to equip associates with the skills they need to improve career prospects and move to jobs with greater responsibility and higher pay</b>	<ul style="list-style-type: none"> <li>Supported a central Store Management training program in Winnipeg, achieving a <b>100%</b> participation rate among new hires.</li> <li>Developed a capacity building platform called “Smarter U” to support employees with courses that will help them advancing their careers.</li> </ul>	
<b>3.7 Adopt policies to support a diverse, inclusive and culturally safe workforce</b>	<ul style="list-style-type: none"> <li>Adopted a Human Rights Policy Statement that identifies salient human rights issues in our operations and business relationships and guides our priorities.</li> <li>Adopted a Supplier Code of Conduct Policy to safeguard that products we sell are made with respect to human rights.</li> </ul>	 



## Empowering employees towards Reconciliation: The Cultural Awareness Program

In 2022, North West continued to raise company-wide awareness of and sensitivity to the unique history, culture and relationships of Indigenous Peoples through the Cultural Awareness and Understanding Program.

Mentored since its inception by Dakota/Ojibway First Nation member and Cultural Safety Consultant Harley Eagle, the program has been implemented through physical and virtual sessions to support a wide range of employees – Northern/NorthMart store managers, corporate employees and new hires – in learning more and understanding the cultural past and future of Indigenous Peoples in Canada.

The Cultural Awareness Program also supports North West’s commitment to Indigenous Peoples and the Truth and Reconciliation Commission’s Call to Action 92 on Business and Reconciliation, particularly on point iii: “Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal

rights, Indigenous law, and Aboriginal-Crown relations. This will require skills based training in intercultural competency, conflict resolution, human rights, and anti-racism.”

“When I first started working with the NWC as an Indigenous Cultural Safety consultant and workshop facilitator, I used to say that it is a powerful story waiting to unfold regarding Truth and Reconciliation, as NWC represents to many one of the original colonizing entities in Canada,” said Harley Eagle, Dakota/Ojibway First Nation and Cultural Safety Consultant. “Now, after several years of working with the NWC, I say ‘it is a powerful story unfolding’, especially as it embraces the TRC Calls to Action and continues to breathe life into the Promise Document. This work is built on the shoulders of many and listens carefully to the voices of the Indigenous Peoples in the communities where the NWC works. I am proud to be a part of the journey alongside so many others within the NWC.”

The Cultural Awareness Program, along with other training courses, has been delivered at North West’s Training Centre, where trainees gain the knowledge, skills and confidence they need to succeed in their positions. Trainees come from all regions across Canada and

proudly represent different backgrounds and occupations, helping demonstrate northern

Canada’s potential for community and economic development.



Harley Eagle, Dakota/Ojibway First Nation and Cultural Safety Consultant conducts a Cultural Awareness session with new North West employees.



PILLAR 4:

# Respect for the Environment

# Pillar 4: **Respect for the Environment**

## Overview

Our responsibility to address environmental impacts and tackle global challenges such as climate change, biodiversity loss and environmental degradation translates into our actions and aspirations for the future. With stores in northern Canada, Alaska, the Caribbean and the Pacific Islands, our retail operations and rural communities are susceptible and exposed to extreme climatic events (e.g., prolonged heatwaves, heavy rainfall, blizzards, extreme cold events, hurricanes typhoons, cyclones, etc.), which are becoming more intense and frequent. We recognize that climate change will have a significant impact in these remote locations, and that it is fundamental that we incentivize positive actions to ensure a resilient future for the communities where we operate. Our commitment to the environment translates into actions that seek to reduce our environmental impacts, considering topics such as climate change, energy efficiency, promotion of renewable energy, and awareness in food/plastic waste. Moreover, as climate change has the






Mina Arragutainaq - Sanikiluaq, NU

potential to impact current business practices, we are gaining a better understanding of our Greenhouse Gas (GHG) emissions and working with experts to calculate our current GHG emissions baseline. We are also establishing a control framework and assurance strategies to support our reporting processes.

## Commitments, Goals and Actions





**Commitment:** Support climate action by increasing energy efficiency and supporting renewable energy initiatives.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<p><b>4.1 Promote and implement energy saving initiatives in stores and warehouses</b></p>	<ul style="list-style-type: none"> <li>Lowered net energy costs by more than <b>\$2.8 million (9,1 GWh)</b> - the result of installing LED lamps, energy-efficient refrigeration equipment (e.g., anti-freezer doors) and other energy-saving devices in our stores. These measures are part of an ongoing suite of energy conservation policies, programs and actions implemented in northern locations using proven processes and technologies. The target for 2023 is to achieve an additional 3% energy savings reduction compared to 2022.</li> <li>Approval of Manitoba’s “Building Envelope Program” for an estimated incentive amount of almost <b>\$260,000</b> for an upgrade of insulation levels to our warehouse infrastructure. This incentive will support the reduction of our energy consumption and GHG emissions related to heating and cooling in our warehouse infrastructure.</li> </ul>	  





## Commitments, Goals and Actions

**Commitment:** Implement actions to increase resource efficiency and reduce waste.

GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<b>4.2 Develop renewable energy partnerships in focus regions</b>	<ul style="list-style-type: none"> <li>Saved an estimated <b>166,500 kWh</b> through an expanded partnership with Gwich'in Tribal Council for a solar photovoltaic (PV) panel equipment installation in our NorthMart store in Inuvik, NT, resulting in annual savings of almost <b>\$97,000</b>.</li> <li>Saved an estimated <b>223,600 kWh</b> with rooftop solar PV system in our Cost-U-Less store in St. Thomas, U.S.V.I., resulting in annual savings of more than <b>\$106,000</b>.</li> <li>Saved an estimated <b>150,000 kWh</b> with rooftop solar PV system in our Grand Cayman stores, resulting in annual savings of more than <b>\$51,000</b>.</li> <li>Overall, we saved a total <b>540,100 kWh</b> and more than <b>\$253,000</b> in 2022.</li> </ul>	  
<b>4.3 Provide ongoing environmental management and training</b>	<ul style="list-style-type: none"> <li>Coordinated policies and programs via our Environment Management Committee, including enhanced environmental training for associates in our operating communities (e.g., spill management, fuel handling and water quality sampling).</li> </ul>	



GOALS	ACTIONS TAKEN IN 2022	RELATED SDG
<b>4.4 Offer environmentally preferable solutions to single-use plastic bags</b>	<ul style="list-style-type: none"> <li>Worked with partners in <b>44</b> communities to reduce the use of plastic bags via our Greener Tomorrow program. Since 2011, proceeds from the program have resulted in more than <b>\$3.3 million</b> in reinvestments to Greener Tomorrow communities. The Greener Tomorrow program prevented the purchasing of approximately <b>31 million</b> plastic bags in stores.</li> </ul>	
<b>4.5 Promote the reduction and management of waste in our operations</b>	<ul style="list-style-type: none"> <li>Implemented procedures to eliminate food waste in the retail supply chain by improving food storage, shipping materials and technologies. We invested <b>\$25,000</b> in purchasing insulated pallet wrap to keep chilled product from freezing in the winter, and avoid frozen product from thawing in the summer months.</li> <li>Promoted the safe-to-eat food products that are safe to consume past the "Best Before Date."</li> <li>Promoted the use of water vending machines in stores to reduce plastic bottle consumption and to provide an affordable source of clean drinking water for customers in remote communities. North West manages <b>63</b> water vending machines and <b>21</b> vending water machines are leased to stores.</li> <li>Alaska Commercial ships all electronic waste (e.g., computers) for recycling, thus avoiding environmental pollution in local landfills.</li> <li>North Star Airline has partnered with recycling initiatives to support efforts to properly recycle waste (e.g. plastic bottles) store in remote communities.</li> </ul>	

## NSA helps reduce environmental impact in Fort Albany

While providing emergency service to deliver clean bottled water to the Neskantaga First Nation, a remote community in northwestern Ontario, one environmental disaster opened the eyes of the North Star Air (NSA) team to another.

Very community minded and respectful of the communities with which it works, the NSA team immediately realized the environmental impact the plastic bottles they were leaving behind would have on the community.

“This opened our eyes to a much bigger picture of doing our part in helping protect the lands of the communities we serve,” said Karen Matson, Director of Marketing & Community Relations at North Star Air. “We all have a social responsibility to ensure that we keep our lands as pristine as possible for future generations. The idea of a recycling program that was presented to NSA senior management was enthusiastically received and supported from the very beginning.”

The Recycling Program became real when Matson contacted EcoSuperior in Thunder Bay, ON to learn more about best practices and guidelines on how to carry out the program, and who would be the key organizations to help implement it.



Joan Metatawabin stores her community recyclables in a sea can in Fort Albany, ON prior to shipping them south.

EcoSuperior put Matson in contact with Clint Maybee, Environmental Officer of Mushkegowuk Council, who was happy to accept NSA’s help for the community of Fort Albany, ON on the James Bay coast.

Maybee explained how the landfill site in Fort Albany was filling up with recyclable items, the work community elder Joan Metatawabin was doing to address this situation, and the community involvement in it.

“This worked out well with North Star Air, as they provide the air transportation of The North West Company’s food and retail items into remote communities. I offered to put NSA and Fort Albany together as a conduit, to help Joan get her plastic bottles out of the community and get them into the recycling system,” said Maybee.

To ensure the success of the program, Matson and Maybee worked in partnership with the Municipality of Kapuskasing to secure a method to collect the plastic once it arrived at the NSA hangar. They also worked with Indigenous Services Canada to secure funding to cover the collection service fee from the hangar to the recycling facilities.

The recycling program started in March 2022 with the first pull of recyclables out of Fort Albany. Using free space on the return aircraft that delivers retail and grocery items to communities, NSA has been transporting plastics and cans back to a larger community for recycling. NSA is pulling out plastics twice a week at no charge and putting them into a large recycle bin at its hangar, within easy access for off-loading, recycle goods storage and pickup. The success of the program led to

even more items being recycled, including cans, glass and paper. To date, NSA has transported hundreds of pounds of these recyclable items that would have otherwise ended up in remote landfill sites.

NSA has received the go-ahead to implement their recycling program in its partner communities in Northwestern Ontario and has held numerous conversations with community Chiefs and executives to get it rolling with community involvement from the grassroots level.

The story does not end here. North West reached out to ask if NSA could also help Baker Lake, a remote Nunavut community, to remove recyclable items from its community. Baker Lake and NSA team are now working on plans and logistics to remove their recyclables on a regular basis.



(Left to right): NSA’s COO/President Jeff Stout, Mayor of Kapuskasing David Plourde General Manager Public Works of Kapuskasing Eric Cote, Environmental Officer of Mushkegowuk Council Clint Maybee, and NSA’s Vice President Tom Meilleur celebrate the first recycle pull out of Fort Albany on March 4, 2022.



## Arviat youth programs get a Greener Tomorrow boost

Northern/NorthMart operates the Greener Tomorrow program throughout the year to reduce the circulation and use of plastic bags in the community. To promote sustainable lifestyles, customers are encouraged to bring reusable bags and are charged a fee when purchasing a plastic bag. The stores then reinvest the funds collected into the community through educational, environmental and social programs.

The community of Arviat is an active participant in the Greener Tomorrow campaign and in 2022 received a grant of over \$27,000. In recent years, Greener Tomorrow funds have been used to support the construction of the Eco-Park and keep the breakfast program running at the elementary schools.

“Thank you very much. This will help the community. Northern is always a great supporter of Arviat,” said Joe Jr Savikataaq, Mayor of Arviat.

Arviat District Education Authority (DEA) will receive half of the funds for its breakfast program, which supports around 400 kids in the community and is organized by teachers at the



elementary schools. This initiative will continue to help tackle food security challenges among young students throughout the school year.

The other half of the funds is being directed towards the upkeep and improvements of the Sports Park by the Hamlet of Arviat. The Sports Park offers a soccer pitch, baseball and softball diamond turf, concert park, BBQ pits and climbing apparatuses. Arviat is also planning improvements to the facilities to better serve community members.

**“The Sports Park is a legacy building that I am truly proud to be a part of for the community of Arviat. It’s something that future generations will be able to benefit from,”** said **Darren Price, Arviat Northern Store Manager.**





# Looking Forward

We recognize that our ambition to be more sustainable is a continuous improvement process that requires collective action from the organization and other stakeholders. Apart from the sustainability practices already established at North West, we aim to address several areas that will help us better articulate our sustainability and ESG efforts. Important topics we are looking forward to addressing include:

**Materiality assessment:** To effectively tackle sustainability challenges, identifying material topics will be critical to refine our strategies, innovate our operations and strengthen our actions with our stakeholders. By having a clear view of what is significant for the company and our stakeholders, we can progressively improve our focus to tackle sustainability challenges and improve the management of key material topics\*. As a next step, we aim to develop a materiality assessment in line with global sustainability standards to identify key sustainability topics and opportunities. The outcomes of this assessment will guide us to develop our sustainability strategy and

improve our focus on the most significant sustainability topics.

**Stakeholder engagement:** We are implementing and operationalizing our initiative, “Our Promise to Indigenous Peoples”, which will help build stronger relationships with communities through engagement and collaboration. North West will be able to improve engagement with key stakeholders and advance several core material sustainability topics. Future material topics will also help us improve relationships with other key stakeholders at different areas of our value chain (e.g., suppliers) and help inform our decision making process.

**Calculating a GHG emissions baseline:** Climate change has the potential to impact current business practices. To gain a better understanding of GHG emissions across our value chain, we are working with experts to calculate our current GHG emissions baseline. We are also establishing a control framework and assurance strategies to support our reporting.



Ian McCausland (hired photographer) - St. Theresa Point, MB

\* Material topics are defined as topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights (Global Reporting Initiative, 2022).





**The North West Company**

77 Main Street  
Winnipeg, Manitoba  
Canada R3C 1A3  
(204) 943-0881

**Alaska Commercial Company**

3830 Old International Airport Road  
Suite 200  
Anchorage, Alaska  
99502-0901

**Cost U Less**

5901 Broken Sound Parkway NW  
Suite 500  
Boca Raton, Florida  
33487



Northern *North* MART

**COST.U.LESS**

RiteWay  
FOOD MARKETS

